

1 LATHAM & WATKINS LLP
Joseph H. Lee (Bar No. 248046)
2 *joseph.lee@lw.com*
650 Town Center Drive, 20th Floor
3 Costa Mesa, California 92626
Telephone: (714) 540-1235
4 Facsimile: (714) 755-8290

5 LATHAM & WATKINS LLP
Charles H. Sanders (*pro hac vice*
6 application to be filed)
charles.sanders@lw.com
7 John Hancock Tower, 27th Floor
200 Clarendon Street
8 Boston, Massachusetts 02116
Telephone: (617) 948-6000
9 Facsimile: (617) 948-6001

10 LATHAM & WATKINS LLP
Douglas E. Lumish (Bar No. 183863)
11 *doug.lumish@lw.com*
140 Scott Drive
12 Menlo Park, California 94025
Telephone: (650) 328-4600
13 Facsimile: (650) 463.2600

14 *Attorneys for Plaintiff Kolon Industries, Inc.*

15
16 UNITED STATES DISTRICT COURT
17 CENTRAL DISTRICT OF CALIFORNIA
18

19 Kolon Industries, Inc.,
20 Plaintiff,
21 v.

22 Hyosung Advanced Materials Corp.
23 and Hyosung USA, Inc.,
24 Defendants.

CASE NO. 8:24-cv-00415

**COMPLAINT FOR PATENT
INFRINGEMENT**

DEMAND FOR JURY TRIAL

1 Plaintiff Kolon Industries, Inc. (“Kolon” or “Plaintiff”) for its Complaint
2 against defendants Hyosung Advanced Materials Corp. (“Hyosung Advanced
3 Materials”) and Hyosung USA, Inc. (“Hyosung USA”) (collectively, “Hyosung” or
4 “Defendants”) alleges as follows:

5 **INTRODUCTION**

6 1. Kolon brings this patent infringement action to protect its valuable
7 technology relating to hybrid tire cord (“HTC”) that uses aramid fiber. HTC with
8 aramid fiber is used to reinforce high-performance tires, helping them to keep their
9 shape and support vehicle weight. Demand for HTC with aramid fiber is
10 increasing as the popularity of electric vehicles rises. Electric vehicles’ batteries
11 increase vehicle weight and electric engines have high instant torque, requiring the
12 stronger tire construction that HTC with aramid fiber can provide.

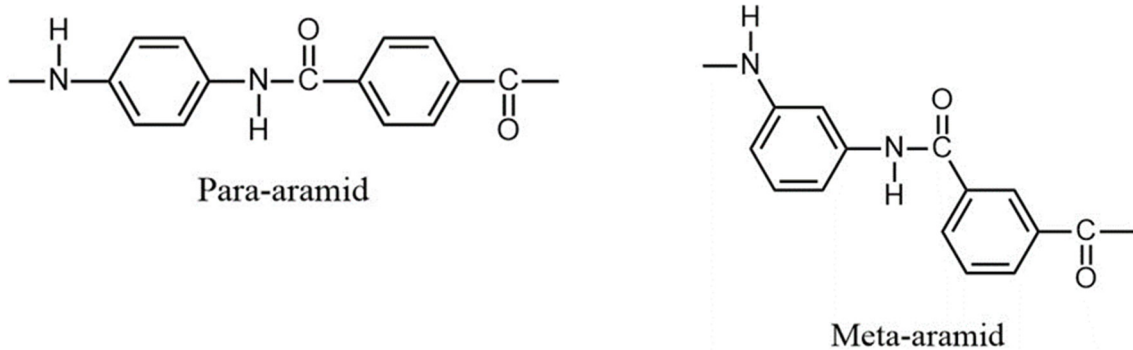
13 2. Kolon was founded in 1957 as a pioneer in the chemical fiber
14 industry. Kolon’s success is in large part due to its significant investment in
15 innovation. Kolon has over 2,700 worldwide patents and patent applications,
16 including approximately 350 issued U.S. patents. Kolon began its tire cord
17 operations in the early 1970s. Since the 1970s, Kolon has been researching aramid
18 and applications for aramid, and Kolon launched its aramid fiber business in 2004.
19 Kolon developed HTC using aramid for the first time in South Korea and has been
20 mass-producing and selling aramid and nylon HTCs since 2015.

21 3. Hyosung is expanding its business in HTC with aramid fiber using
22 Kolon’s patented technology, despite knowing that Kolon has patented this
23 technology that Kolon developed. Hyosung’s infringement has forced Kolon to
24 compete against its own technological breakthroughs, and Hyosung continues to
25 profit off Kolon’s inventions. Hyosung’s conduct in this regard is illegal, unjust,
26 and in violation of the United States patent laws. Hyosung brings this complaint to
27 protect its inventions and to redress Hyosung’s willful and deliberate infringement
28 of Kolon’s patent rights.

* * *

4. Hyosung is infringing Kolon's patented technology for HTC that uses aramid and nylon fiber.

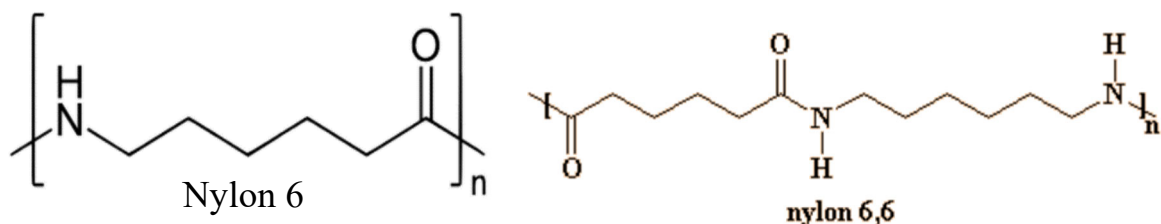
5. Aramid is short for aromatic polyamide. Aramid can either be para-aramid, which has linkages attached at positions 1 and 4, or meta-aramid, which has linkages at positions 1 and 3, as shown below.



6. Kolon offers para-aramid fiber under the tradename HERACRON[®] and is one of the world's largest producers of para-aramid fiber.

7. Aramid has five times the tensile strength of steel and is four times more elastic than steel, while weighing only about 20% as much as steel. Aramid is particularly useful as a tire reinforcement material because of its high modulus and heat resistance.

8. Nylon is a family of synthetic polymers with amide backbones, usually linking aliphatic or semi-aromatic groups. Below are the chemical structures of two common types of nylon, nylon 6 and nylon 6,6.



9. Nylon is a low-cost, lightweight, heat-resistant, and durable fiber. Nylon is particularly useful as a tire reinforcement because it has superior adhesivity and high compressive stress, and low cost compared to other materials.

1 10. Tire cord is a tire reinforcement that maintains the shape of the tire,
2 prevents deformation, and allows the tire to withstand the stresses of the vehicle's
3 weight and driving. For this reason, tire cord has a significant effect on a tire's
4 performance. Tire manufacturers use tire cords made of varied materials
5 depending on the needs of the specific tire and vehicle.

6 11. HTC is a tire cord made of two or more cord materials. HTC can
7 provide a combination of physical and thermal properties using a single tire cord
8 by combining material properties of multiple cord materials.

9 12. HTC composed of aramid and nylon exploits the advantages of both
10 aramid and nylon to provide the reinforcement required by high-performance tires.
11 This HTC is also particularly suited for use in tires for electric vehicles to provide
12 the reinforcement needed to provide more wear-resistant and ultra-quiet tires in
13 view of electric vehicles' higher weight, more instant torque, and lower noise
14 output compared to conventional vehicles.

15 13. HTC composed of aramid and nylon yarns is manufactured by taking
16 aramid and nylon yarns that have themselves been twisted (the primary twist) and
17 twisting the yarns together (the secondary twist) to form a multi-ply yarn.
18 Adhesive is applied to this raw HTC to create dip HTC that is suitable, subject to
19 potential additional processing, for use as a tire reinforcement.

20 **KOLON'S PATENTED TECHNOLOGY**

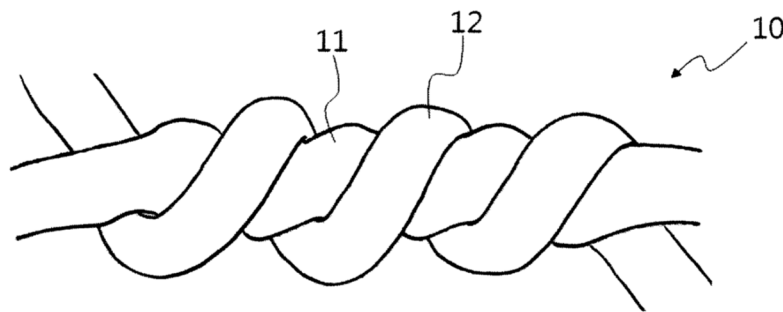
21 14. Kolon invented improved HTC comprised of aramid and nylon, and
22 methods of manufacturing this HTC, through years of research and development.

23 15. Nylon has the disadvantages that it has relatively low strength and
24 shows reduced modulus at high temperature, which limits its performance when
25 driving at high speed and may lead to a flat spot during long-term parking. Aramid
26 has the disadvantages that it is more expensive, its high modulus makes it difficult
27 to expand the tire during tire manufacture, and its elongation at break can be too
28 low to provide sufficient fatigue resistance for long-term durability.

16. Use of both aramid and nylon together in a hybrid structure was developed in an effort to address these drawbacks. Before Kolon's inventions, due to the differences in the physical properties of aramid and nylon, the primary twist numbers and twist directions of the aramid and nylon yarns were quite different to try to make the physical properties of nylon more prominent during initial deformation and those of aramid more prominent thereafter. Generally, aramid was primarily twisted at a higher twist number than the nylon, and the two were twisted in opposite directions. For example, the aramid was primarily twisted at a higher twist number in one direction in the opposite direction of the secondary twist, the nylon was primarily twisted at a lower but still high twist number in the same direction as the secondary twist, and the aramid was twisted around the nylon in the resulting structure.

17. The conventional HTC was typically manufactured using ring twisters, which twist each yarn and then twist the yarns together in distinct steps. Using a ring twister involved a three-step process of primarily twisting the aramid yarn, primarily twisting the nylon yarn, and secondarily twisting them together. This manufacturing process had limitations that included low productivity, high variability of physical properties, and high defect rates.

18. HTC comprised of aramid and nylon conventionally had the structure shown below, where the aramid primary-twisted yarn (12) was secondarily twisted around the nylon primary-twisted yarn (11) to form the ply yarn (10).



The aramid yarn would form loops during the twisting process, resulting in an unstable structure. When processing the raw HTC having this conventional

1 structure to make dip HTC, the friction between HTC and the guides and rollers
2 would cause non-uniformities in the shape of the HTC, resulting in defective
3 product.

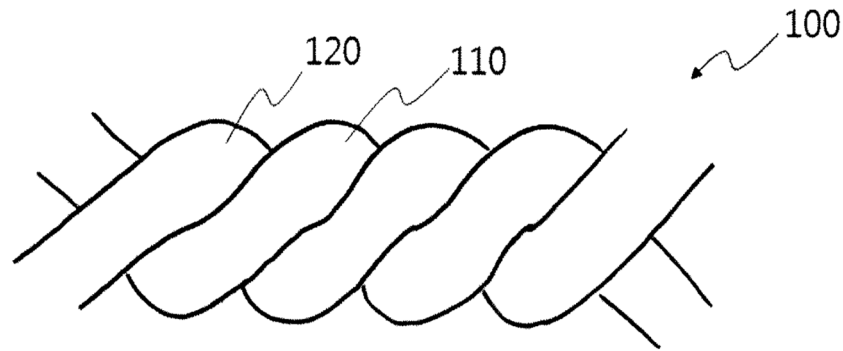
4 19. Before Kolon's inventions, three-ply aramid and nylon HTCs with
5 one ply of nylon and two plies of aramid were used. It was believed that the three
6 plies, with two plies of aramid, were necessary to provide the HTC properties
7 needed for use in high-performance tires. These three-ply HTCs were made using
8 ring twister machines, twisting each yarn individually and then the yarns together
9 in distinct steps where the number of twists and direction of those twists differed.

10 20. Kolon invented HTC comprised of aramid and nylon, and methods of
11 manufacturing this HTC, that overcame these limitations and drawbacks associated
12 with conventional aramid and nylon HTC and its manufacture. Kolon developed
13 manufacturing methods that can be used to make HTC more easily and that yields
14 HTC with more uniform physical properties, better strength, and improved fatigue
15 resistance that is suitable for high-performance tires.

16 21. In the manufacturing methods Kolon developed, the nylon filament,
17 the aramid filament, and the nylon and aramid together are twisted at the same
18 twists per meter (TPM). This method of manufacturing an aramid and nylon HTC
19 can be implemented using a device that performs the primary and secondary
20 twisting processes simultaneously, such as a direct corder or cable corder, and
21 provides advantages of fewer defects and more stable overall structure that
22 provides better uniformity of properties, and thus better yield.

23 22. Kolon developed two-ply HTC consisting of one ply of primarily-
24 twisted aramid yarn and one ply of primarily-twisted nylon yarn that combines the
25 advantages of aramid and nylon and provides high adhesiveness, heat resistance,
26 and fatigue resistance. The structure of this two-ply HTC (100) where the
27 primarily-twisted nylon yarn (110) and the primarily-twisted aramid yarn (120) are
28 secondarily twisted together using the same TPM as for the primary twisting is

1 shown below.



8 23. Kolon invented an improved aramid and nylon HTC having the
9 structure shown above where the aramid primarily twisted yarn would be 1.005 to
10 1.025 times the length of the nylon primarily twisted yarn (when the secondary
11 twisting of the HTC is removed by untwisting). In the manufacturing process, this
12 difference in length is achieved at least in part by applying higher tension to the
13 nylon filament than to the aramid filament during the twisting process. This
14 aramid primarily twisted yarn has a 0.1 to 5% lower twist number than the twist
15 number of the nylon primarily twisted yarn, after manufacture of the HTC and
16 untwisting.

17 24. Kolon's improved aramid and nylon HTC is suitable for tire
18 manufacture and disperses the stress applied to the HTC during the repeated
19 tension/compression of the tire. This HTC has superior fatigue resistance, which
20 maintains stability of tires under the repeated application of forces while driving.

21 25. Kolon's patented aramid and nylon HTC can be more easily
22 manufactured, has more uniform physical properties, and improved strength and
23 fatigue resistance. Using two-ply HTC made of one ply of aramid and one ply of
24 nylon, Kolon achieved comparable performance to three-ply HTC made of two
25 plies of aramid and one ply of nylon.

26 26. Kolon's methods of manufacturing two-ply HTC creates HTC with
27 superior and more uniform properties in addition to achieving improved
28 manufacturing efficiencies. Specifically, Kolon's methods create two-ply HTC

1 with superior strength retention rate, strength maintenance percentage, dry heat
2 shrinkage, breaking tenacity, strength at break, elongation at break, and load at
3 specific elongation (LASE). These superior properties meet and exceed the HTC
4 requirements of tire manufactures and therefore mean that Kolon's manufactured
5 HTC has properties necessary for commercial sales to tire manufacturers for use in
6 vehicles sold around the world, including in the United States. Kolon also
7 discovered the ideal weight ratio range of aramid to nylon to achieve these superior
8 properties.

9 27. Kolon has developed high strength and high endurance (fatigue
10 resistant) IE-grade aramid for mechanical rubber good (MRG) applications with
11 improved elongation (IE) that is suitable for HTC. The high elongation and
12 modulus control enables the product to provide outstanding strength retention and
13 physical properties to the tires.

14 28. Kolon invested significantly in aramid manufacturing improvements,
15 including by creating a task force of employees to specifically work on aramid
16 manufacturing improvements. This task force improved many aspects of Kolon's
17 aramid manufacturing process.

18 **HYOSUNG'S INFRINGING ACTS**

19 29. The Hyosung entities work together to develop, manufacture, offer for
20 sale, and/or sell, import, or otherwise provide infringing products in the United
21 States, including specifically in this judicial district.

22 30. Hyosung has had actual knowledge of the patents-in-suit at least since
23 February 4, 2021, when Kolon specifically identified those patents to Hyosung in a
24 letter informing Hyosung that Kolon had succeeded in researching and developing
25 unique HTC and informing Hyosung that it must respect Kolon's patent rights
26 relating to HTC. Hyosung acknowledged receipt of that letter through its March
27 10, 2021 response. On information and belief, rather than respect Kolon's patent
28 rights, Hyosung chose to infringe the patents-in-suit.

31. On information and belief, with knowledge of the patents-in-suit, Hyosung makes, uses, offers to sell, and/or sells infringing HTC in the United States, and/or imports infringing HTC into the United States—including in this judicial district.

32. On information and belief, with knowledge of the patents-in-suit, Hyosung also intentionally makes, uses, offers to sell, and/or sells aramid designed for use in infringing HTC in the United States, and/or imports aramid designed for use in infringing HTC into the United States—including in this judicial district.

33. In addition, on information and belief, with knowledge of the patents-in-suit, Hyosung offers to sell and sells to tire manufacturers infringing HTC that meets the tire manufacturers' specifications that, on information and belief, Hyosung could not meet without infringing, and does so with knowledge that the infringing HTC will be inserted into tires that will be offered for sale, sold, and/or imported into the United States—including in this judicial district.

34. On information and belief, Hyosung's tire manufacturing partners and vehicle manufacturers who purchase their tires from them infringe the patents-in-suit by using Hyosung's infringing HTC in their tires that they import into the U.S. (as tires themselves or as tires on vehicles), offer for sale, and/or sell in the U.S.—including into this district.

35. Hyosung is in the business of manufacturing, offering for sale, selling, and/or importing into the United States aramid and nylon HTC and aramid for use in such HTC.

36. Hyosung Advanced Materials advertises "Aramid & Hybrid Tirecord" and touts HTC "designed to maximize the advantages of each material" that is "primarily used in premium tires that require high performance." <https://www.hyosungadvancedmaterials.com/en/business/tire> (accessed 21 Feb 2024). Hyosung USA similarly advertises "tire reinforcements" and "aramid" as part of the "Advanced Materials' business area. <https://www.hyosungusa.com/>

1 (accessed 21 Feb 2024).

2 37. In March 2023, the Korean press reported that, “[i]n response to the
3 growing demand for tires for electric vehicles,” Hyosung Advanced Materials was
4 “developing and supplying high-strength cords that allow tire cords to be thinner
5 and reduce the thickness of cords and rubber and thick-denier cords that reduce the
6 weight of tires by using only one tire cord.”

7 <https://www.businesskorea.co.kr/news/articleView.html?idxno=111587> (accessed
8 21 Feb 2024). This is a description of the benefits of aramid and nylon HTC.

9 38. In April 2023, Hyosung announced that it “has introduced
10 advanced **high-strength tirecords** on the combination of cap plies and aramid
11 fiber.” <https://brand.hyosung.com/en/brand-now/journalism/1194> (Hyosung’s
12 emphasis) (accessed 21 Feb 2024). This is a description of aramid and nylon HTC,
13 which is used in cap plies.

14 39. On information and belief, Hyosung has acquired direct corders or
15 cable corders, and manufactures aramid and nylon HTC using them.

16 40. On information and belief, Hyosung engages in manufacture of
17 aramid and nylon HTC and imports this aramid and nylon HTC into the United
18 States, including into this judicial district, and offers to sell and/or sells aramid and
19 nylon HTC in the United States.

20 41. On information and belief, tires made with Hyosung’s aramid and
21 nylon HTC and vehicles having tires made with Hyosung’s aramid and nylon HTC
22 are offered for sale and sold in the United States, including in this judicial district.

23 42. Tire manufacturers evaluate samples of tire cord as part of their
24 qualification process and, on information and belief, Hyosung has imported
25 samples of aramid and nylon HTC into the United States to promote its HTC to tire
26 manufacturers.

27 43. On information and belief, Hyosung has sold aramid and nylon HTC
28 to tire manufacturers. For example, on information and belief, Hyosung sells

1 aramid and nylon HTC to the South Korean tire manufacturer Hankook &
2 Company Co., Ltd. (“Hankook”). Hankook has tire manufacturing plants around
3 the world, including in the United States.

4 44. On information and belief, Hyosung’s tire manufacturing partners,
5 such as Hankook, integrate Hyosung’s aramid and nylon HTC into their tires. For
6 example, on information and belief, Hankook’s high performance Ventus S1 evo Z
7 AS X tire, which Hankook advertises includes “Aramid Hybrid Reinforcement”
8 (<https://www.hankooktire.com/us/en/tire/ventus/s1evozasx.html> (accessed 21 Feb
9 2024)), incorporates Hyosung’s aramid and nylon HTC.

10 45. On information and belief, Hyosung sells aramid and nylon HTC to
11 tire manufacturers for tires to be used for electric vehicles. For example, on
12 information and belief, Hankook sells these tires with Hyosung infringing HTC in
13 the United States, including in this judicial district. Additionally, on information
14 and belief, Hankook’s Ion evo tire for electric vehicles, which Hankook advertises
15 includes “Aramid Hybrid Reinforcement”
16 (<https://www.hankooktire.com/us/en/tire/ion/evo.html> (accessed 21 Feb 2024)),
17 incorporates Hyosung’s aramid and nylon HTC.

18 46. On information and belief, Hyosung manufactures aramid and nylon
19 HTC products that comply with specifications from tire manufacturer(s) that
20 require Hyosung’s HTC to meet certain physical property requirements. For
21 example, Hankook’s specifications require meeting requirements for physical
22 properties such as breaking force, elongation at break, elongation at specific load,
23 heat shrinkage, post-manufactured twist number, and breaking force. On
24 information and belief, Hyosung has met these physical property requirements by
25 using Kolon’s patented technology. On information and belief, Hyosung would
26 have had to commercially satisfy those specifications and could not feasibly do so
27 without manufacturing its aramid and nylon HTC using Kolon’s patented
28 technology.

1 47. On information and belief, Hyosung has entered into agreements to
2 sell aramid and nylon HTC to tire manufacturers, knowing that tires with that HTC
3 would be imported into the United States and/or offered for sale or sold in the
4 United States.

5 48. On information and belief, tire manufacturers have imported tires with
6 Hyosung's aramid and nylon HTC into the United States, including into this
7 judicial district, and offer to sell and/or sell tires with Hyosung's aramid and nylon
8 HTC, including in this judicial district.

9 49. On information and belief, Hyosung's tire manufacturing partners
10 have sold tires with Hyosung's aramid and nylon HTC to vehicle manufacturers
11 that have imported tires having aramid and nylon HTC into the United States,
12 including into this judicial district, and offer to sell and/or sell tires with Hyosung's
13 aramid and nylon HTC, including in this judicial district. For example, on
14 information and belief, Hyundai and Kia automobiles, including, e.g., the 2024 Kia
15 EV9 and 2024 Hyundai Ioniq 6 are equipped with Hankook tires that include
16 Hyosung's aramid and nylon HTC.

17 50. On information and belief, Hyosung makes and imports aramid into
18 the United States, offers to sell, and/or sells into the U.S., including into this
19 district, aramid that is designed for use in HTC.

20 51. In a Hyosung YouTube video, Hyosung admits that it manufactures
21 its aramid fiber, which Hyosung sells under the tradename ALKEX[®], in South
22 Korea. <https://www.youtube.com/watch?v=eqMrhxD2Vro&t=1s> (accessed 20 Feb
23 2024). Hyosung Advanced Materials also markets its ALKEX[®] aramid products at
24 trade shows around the world including, on information and belief, in the United
25 States. In another Hyosung YouTube video
26 (<https://www.youtube.com/watch?v=sVVACiFvFe4> (accessed 20 Feb 2024)
27 (screenshot below), Hyosung admits to importing aramid into the United States.
28



52. Importation records (attached as Exhibit 1) show that Hyosung has imported HTC containing aramid fiber and/or aramid fiber for use in HTC into the United States, including into this judicial district.

53. Hyosung offers aramid yarn and tire reinforcements, which include HTC, for sale in the United States, including in this judicial district. For example, Hyosung's website provides an inquiry sheet for aramid yarn and tire reinforcements accessible in the United States <https://www.hyosungadvancedmaterials.com/en/customer/inquiry> (accessed 21 Feb 2024). Additionally, for example, Hyosung USA provides contact information for purchasing aramid and tire reinforcement products on its website. Hyosung thus offers these products for sale in the United States and, on information and belief, customers contact Hyosung to purchase these products, including aramid and nylon HTC, in the United States.

54. Hyosung also offers to sell aramid and tire reinforcements through its product manuals and catalogs available in the United States. On information and belief, Hyosung has offered for sale in the United States aramid for use in HTC and/or aramid and nylon HTC.

55. In 2021, Hyosung sought to expand its aramid manufacturing capabilities. Hyosung stated that to meet an increase in demand, it would increase

1 its production capacity to 3,700 tons per year as of 2021. This represents a
2 threefold increase in production from 2020 to 2021. On information and belief, a
3 driver in demand for Hyosung's expanded aramid manufacturing capabilities was
4 production of HTC.

5 56. On information and belief, by improving its aramid manufacturing,
6 Hyosung has been able to meet the specifications of tire manufacturers, such as
7 Hankook, and grow its presence in the market for aramid and nylon HTC.

8 57. To help Hyosung expand its aramid manufacturing capabilities,
9 Hyosung approached employees and ex-employees of Kolon to recruit them. One
10 of the individuals that Hyosung approached was In-Sik Han. Mr. Han was
11 employed by Kolon from 1984 to 2015. During this time, Mr. Han held significant
12 leadership positions at Kolon. For example, Mr. Han held major positions related
13 to research and development of aramid fiber for more than ten years during his
14 time at Kolon.

15 58. While at Kolon, Mr. Han was involved in developing and improving
16 Kolon's aramid production and HTC products, including involvement in a task
17 force that was responsible for advancements in Kolon's aramid manufacturing
18 process. Mr. Han is named as an inventor on Kolon patents related to aramid and
19 to aramid and nylon HTC. On information and belief, Mr. Han had knowledge of
20 Kolon's intellectual property, including its patent portfolio. On information and
21 belief, Mr. Han has been aware of the patents-in-suit.

22 59. Hyosung hired Mr. Han and, on information and belief, promoted Mr.
23 Han to lead Hyosung's aramid manufacturing. On information and belief,
24 Hyosung hired Mr. Han despite knowing that Mr. Han had been charged in the
25 United States with conspiring to steal DuPont trade secrets relating to aramid
26 technology (and, on information and belief, remains under indictment). Kolon had
27 resolved this matter with respect to Kolon and terminated Mr. Han's employment
28 at Kolon in 2015.

THE PARTIES

60. Plaintiff Kolon is a company organized and existing under the laws of the Republic of Korea, with its principal place of business at 110 Magokdong-ro, Gangseo-gu Seoul, 07793, Korea.

61. On information and belief, Hyosung Advanced Materials is a company organized and existing under the laws of the Republic of Korea, with its principal place of business at 119, Map-daero, Mapo-gu, Seoul, 04144, Korea.

62. On information and belief, Hyosung USA is a company organized and existing under the laws of the State of Delaware with its principal place of business at 15801 Brixham Hill Ave., Suite 575, Charlotte, NC 28277.

JURISDICTION AND VENUE

63. Kolon incorporates and realleges all the above paragraphs as though fully set forth herein.

64. This is an action for patent infringement arising under the Patent Laws of the United States, 35 U.S.C. § 271 et seq. This Court has subject matter jurisdiction under 28 U.S.C. §§ 1331, 1332, and 1338(a).

65. This Court has personal jurisdiction over Hyosung because, among other reasons, Defendants have committed acts within the Central District of California giving rise to this action and have established minimum contacts with the forum state of California. Defendants directly and/or through subsidiaries or intermediaries (including distributors, retailers, and others) have committed and continue to commit acts of infringement in this District by, among other things, making, using, importing, offering for sale, and/or selling products that, directly or indirectly, infringe the patents-in-suit. Defendants, directly or through intermediaries, have purposefully and voluntarily placed products that, directly or indirectly, infringe the patents-in-suit into the stream of commerce with the intention and expectation that they will be purchased and used, including in this judicial district. Thus, Defendants have purposefully availed themselves of the

benefits of doing business in the State of California, and this judicial district, and the exercise of jurisdiction over Defendants would not offend traditional notions of fair play and substantial justice.

66. In the alternative, this Court has personal jurisdiction over Hyosung Advanced Materials pursuant to Federal Rule of Civil Procedure 4(k)(2) because Hyosung Advanced Materials has sufficient minimum contacts with the United States and, if Hyosung Advanced Materials is not subject to any state's court of general jurisdiction, this Court has personal jurisdiction over Hyosung Advanced Materials because it has sufficient minimum contacts with the United States as a whole.

67. The Court also has personal jurisdiction over Hyosung USA because Hyosung USA maintains an office in this judicial district at 38 Executive Park, Suite 200, Irvine, CA 92614, and has continuous and systematic contacts with the State of California, which include regularly and continuously transacting and doing business in the State of California, including in and from this judicial district.

68. Venue is proper within this judicial district under 28 U.S.C. §§ 1391 and/or 1400(b).

69. Hyosung Advanced Materials is a resident of South Korea and therefore may be sued in any judicial district that has personal jurisdiction over Hyosung Advanced Materials, and this judicial district has personal jurisdiction over Hyosung Advanced Materials. Accordingly, this venue is proper within this judicial district for Hyosung Advanced Materials.

70. Hyosung USA has a regular and established place of business in this District and, on information and belief, has committed acts of patent infringement in this District.

PATENTS-IN-SUIT

71. U.S. Patent No. 9,617,663 ("the '663 patent") was duly and legally issued on April 11, 2017, by the United States Patent and Trademark Office to

1 inventors Ok Wha Jeon and Min Ho Lee. The '663 patent is entitled "Hybrid Tire
2 Cord and Method of Manufacturing the Same." Kolon is the owner by assignment
3 of the '663 patent. A true and correct copy of the '663 patent is attached hereto as
4 Exhibit 2.

5 72. U.S. Patent No. 9,789,731 ("the '731 patent") was duly and legally
6 issued on October 17, 2017, by the United States Patent and Trademark Office to
7 inventors Min Ho Lee, Ok Wha Jeon, and Il Chung. The '731 patent is entitled
8 "Hybrid Fiber Cord and Method for Manufacturing the Same." Kolon is the owner
9 by assignment of the '731 patent. A true and correct copy of the '731 patent is
10 attached hereto as Exhibit 3.

11 73. U.S. Patent No. 10,196,765 ("the '765 patent") was duly and legally
12 issued on February 5, 2019, by the United States Patent and Trademark Office to
13 inventors Ok Wha Jeon and Min Ho Lee. The '765 patent is entitled "Hybrid Tire
14 Cord and Method of Manufacturing the Same." The '765 patent issued from an
15 application that was filed as a continuation of the application for the '663 patent.
16 Kolon is the owner by assignment of the '765 patent. A true and correct copy of
17 the '765 patent is attached hereto as Exhibit 4.

18 COUNT I

19 INFRINGEMENT OF THE '663 PATENT

20 74. Kolon incorporates and realleges all the above paragraphs as though
21 fully set forth herein.

22 75. As used herein, the "Accused Product" refers to Hyosung's two-ply
23 HTC composed of one ply of aramid and one ply of nylon.

24 76. On information and belief, Hyosung has infringed and continues to
25 infringe one or more claims of the '663 patent, including but not limited to claim 1,
26 pursuant to 35 U.S.C. § 271(g), at least by without authority importing into the
27 United States and/or offering to sell, selling, and/or using within the United States
28 the Accused Product, which is made by a process patented by claim 1 of the '663

1 patent and is neither materially changed by subsequent processes nor becomes a
2 trivial or nonessential component of another product.

3 77. On information and belief, Hyosung's Accused Product is made by
4 the method of manufacturing a hybrid tire cord claimed by the '663 patent.

5 78. In the method of manufacturing Hyosung's Accused Product, there is
6 a first step of primarily twisting an aramid filament yarn in a first direction to form
7 an aramid primarily twisted yarn.

8 79. In the method of manufacturing Hyosung's Accused Product, there is
9 a second step of primarily twisting a nylon filament yarn in a second direction to
10 form a nylon primarily twisted yarn. On information and belief, this second step
11 and the first step are conducted simultaneously.

12 80. On information and belief, in the method of manufacturing Hyosung's
13 Accused Product, there is a third step of secondarily twisting the aramid primarily
14 twisted yarn and the nylon primarily twisted yarn in a third direction to form a
15 plied yarn. On information and belief, this third step is conducted continuously
16 with the first and second steps.

17 81. On information and belief, in the method of manufacturing Hyosung's
18 Accused Product, Hyosung's first, second, and third steps are conducted by one
19 twister.

20 82. In the method of manufacturing Hyosung's Accused Product, the
21 second direction is the same as the first direction, and the third direction is opposite
22 the first direction.

23 83. On information and belief, in the method of manufacturing Hyosung's
24 Accused Product, the tension applied to the nylon filament yarn in the second step
25 is higher than tension applied to the aramid filament yarn in the first step in such
26 an amount that, if the secondary twist of the hybrid tire cord with a predetermined
27 length were untwisted, the aramid primarily twisted yarn would be 1.005 to 1.025
28 times longer than the nylon primarily twisted yarn.

1 84. Accordingly, on information and belief, Hyosung's method of
2 manufacturing its Accused Product satisfies each and every limitation of one or
3 more claims of the '663 patent, including but not limited to claim 1. On
4 information and belief, Hyosung was able to meet the specifications of tire
5 manufacturer(s), e.g., Hankook, by manufacturing its Accused Product using the
6 methods claimed in the '663 patent.

7 85. On information and belief, with knowledge of the '663 patent and its
8 infringement Hyosung has indirectly infringed and continues to indirectly infringe
9 one or more claims of the '663 patent, including but not limited to claim 1,
10 pursuant to 35 U.S.C. § 271(b), at least by without authority actively inducing
11 others, including its tire manufacturing partners, to directly infringe one or more
12 claims of the '663 patent.

13 86. On information and belief, Hyosung manufactures the Accused
14 Product by a process covered by one or more claims of the '663 patent and then
15 actively induces infringement by others by knowingly providing the Accused
16 Product to be imported into the United States, offered for sale, sold, or used within
17 the United States. The Accused Product is not materially changed by subsequent
18 processes and does not become a trivial and nonessential component of another
19 product regardless of whether it is imported into the United States, offered for sale,
20 sold, or used within the United States in the form of hybrid tire cord itself or as
21 hybrid tire cord integrated into a tire.

22 87. On information and belief, with knowledge of the '663 patent,
23 Hyosung has indirectly infringed and continues to indirectly infringe one or more
24 claims of the '663 patent, including but not limited to claim 1, pursuant to 35
25 U.S.C. § 271(c), at least by without authority offering to sell or selling within the
26 United States or importing into the United States aramid filament yarn knowing
27 that it is especially made or especially adapted for use in infringing the '663 patent,
28 and not a staple of article or commodity of commerce suitable for substantial non-

1 infringing uses.

2 88. Hyosung's infringement has caused and is continuing to cause
3 damage and irreparable injury to Kolon. Kolon will continue to suffer damage and
4 irreparable injury unless and until that infringement is enjoined by this Court, as a
5 remedy at law alone would be inadequate.

6 89. Kolon is entitled to injunctive relief and damages in accordance with
7 35 U.S.C. §§ 271, 281, 283, and 284.

8 90. On information and belief, Hyosung has been willfully infringing the
9 '663 patent, and thus Kolon is entitled to recover increased damages under 35
10 U.S.C. § 284. Hyosung's willful infringement makes this case exceptional, and
11 thus Kolon is entitled to recover attorneys' fees under 35 U.S.C. § 285.

12 COUNT II

13 INFRINGEMENT OF THE '731 PATENT

14 91. Kolon incorporates and realleges all the above paragraphs as though
15 set forth fully herein.

16 92. On information and belief, Hyosung has infringed and continues to
17 infringe one or more claims of the '731 patent, including but not limited to claim 4,
18 pursuant to 35 U.S.C. § 271(g), at least by without authority importing into the
19 United States and/or offering to sell, selling, or using within the United States the
20 Accused Product, which is made by a process patented by claim 4 of the '731
21 patent and is neither materially changed by subsequent processes nor becomes a
22 trivial or nonessential component of another product.

23 93. On information and belief, Hyosung's Accused Product is made by
24 the method for manufacturing a hybrid fiber cord claimed by the '731 patent.

25 94. On information and belief, in the method of manufacturing Hyosung's
26 Accused Product, there is a first step for primarily-twisting a nylon filament at a
27 first twist number of 300 to 500 TPM to produce a nylon primarily-twisted yarn.

28 95. On information and belief, in the method of manufacturing Hyosung's

1 Accused Product, there is a second step for primarily-twisting an aramid filament
2 at a second twist number of 300 to 500 TPM to produce an aramid primarily-
3 twisted yarn.

4 96. On information and belief, in the method of manufacturing Hyosung's
5 Accused Product, there is a third step for secondarily-twisting the nylon and
6 aramid primarily-twisted yarns together at a third twist number to produce a ply
7 yarn in such a way that the nylon and aramid primarily-twisted yarns have identical
8 structures with each other.

9 97. On information and belief, in the method of manufacturing Hyosung's
10 Accused Product, there is a step of coating the ply yarn with an adhesive.

11 98. On information and belief, in Hyosung's Accused Product, the ply
12 yarn coated with the adhesive has a strength retention rate of 80% or more after a
13 disc fatigue test is performed according to JIS-L 1017 method of Japanese
14 Standard Associations.

15 99. On information and belief, in Hyosung's Accused Product, the ply
16 yarn coated with the adhesive has a dry heat shrinkage of 1.5 to 2.5%.

17 100. On information and belief, in the method of manufacturing Hyosung's
18 Accused Product, the first, second, and third twist numbers are identical with each
19 other.

20 101. In the method of manufacturing Hyosung's Accused Product, the third
21 step produces a 2-ply secondarily-twisted yarn consisting of 1-ply of nylon
22 primarily-twisted yarn and 1-ply of aramid primarily-twisted yarn.

23 102. Accordingly, on information and belief, Hyosung's method of
24 manufacturing its Accused Product satisfies each and every limitation of one or
25 more claims of the '731 patent, including but not limited to claim 4. On
26 information and belief, Hyosung was able to meet the specifications of tire
27 manufacturer(s), e.g., Hankook, by manufacturing its Accused Product using the
28 methods claimed in the '731 patent.

1 103. On information and belief, with knowledge of the '731 patent and its
2 infringement, Hyosung has indirectly infringed and continues to indirectly infringe
3 one or more claims of the '731 patent, including but not limited to claim 4,
4 pursuant to 35 U.S.C. § 271(b), at least by without authority actively inducing
5 others, including its tire manufacturing partners, to directly infringe one or more
6 claims of the '731 patent.

7 104. On information and belief, Hyosung manufactures the Accused
8 Product by a process covered by one or more claims of the '731 patent and then
9 actively induces infringement by others by knowingly providing the Accused
10 Product to be imported into the United States, offered for sale, sold, or used within
11 the United States. The Accused Product is not materially changed by subsequent
12 processes and does not become a trivial and nonessential component of another
13 product regardless of whether it is imported into the United States, offered for sale,
14 sold, or used within the United States in the form of hybrid tire cord itself or as
15 hybrid tire cord integrated into a tire.

16 105. On information and belief, with knowledge of the '731 patent,
17 Hyosung has indirectly infringed and continues to indirectly infringe one or more
18 claims of the '731 patent, including but not limited to claim 1, pursuant to 35
19 U.S.C. § 271(c), at least by without authority offering to sell or selling within the
20 United States or importing into the United States aramid filament knowing that it is
21 especially made or especially adapted for use in infringing the '731 patent, and not
22 a staple of article or commodity of commerce suitable for substantial non-
23 infringing uses.

24 106. Hyosung's infringement has caused and is continuing to cause
25 damage and irreparable injury to Kolon. Kolon will continue to suffer damage and
26 irreparable injury unless and until that infringement is enjoined by this Court, as a
27 remedy at law alone would be inadequate.

28 107. Kolon is entitled to injunctive relief and damages in accordance with

35 U.S.C. §§ 271, 281, 283, and 284.

108. On information and belief, Hyosung has been willfully infringing the '731 patent, and thus Kolon is entitled to recover increased damages under 35 U.S.C. § 284. Defendants' willful infringement makes this case exceptional, and thus Kolon is entitled to recover attorneys' fees under 35 U.S.C. § 285.

COUNT III

INFRINGEMENT OF THE '765 PATENT

109. Kolon incorporates and realleges the above paragraphs as though set forth fully herein.

110. Hyosung has infringed and continues to infringe one or more claims of the '765 patent, including but not limited to claim 1, pursuant to 35 U.S.C. § 271(a), at least by without authority making, using, offering to sell and/or selling the Accused Product within the United States and/or importing the Accused Product into the United States.

111. Hyosung's Accused Product is a hybrid tire cord.

112. Hyosung's Accused Product comprises a nylon primarily twisted yarn.

113. Hyosung's Accused Product comprises an aramid primarily twisted yarn.

114. In Hyosung's Accused Product, the nylon primarily twisted yarn and the aramid primarily twisted yarn are secondarily twisted together.

115. On information and belief, in Hyosung's Accused Product, if the secondary twist of the hybrid tire cord with a predetermined length were untwisted, a length of the aramid primarily twisted yarn would be 1.005 to 1.025 times a length of the nylon primarily twisted yarn.

116. On information and belief, in Hyosung's Accused Product, the aramid primarily twisted yarn has a 0.1 to 5% lower twist number than a twist number of the nylon primarily twisted yarn.

1 117. In Hyosung's Accused Product, the hybrid tire cord has a merge
2 structure having a partial covering structure.

3 118. Accordingly, on information and belief, Hyosung's Accused Product
4 satisfies each and every limitation of one or more claims of the '765 patent,
5 including but not limited to claim 1. On information and belief, Hyosung was able
6 to meet the specifications of tire manufacturer(s), e.g., Hankook, by offering
7 Accused Product that infringes the '765 patent.

8 119. On information and belief, with knowledge of the '765 patent and its
9 infringement, Hyosung has indirectly infringed and continues to indirectly infringe
10 one or more claims of the '765 patent, including but not limited to claim 1,
11 pursuant to 35 U.S.C. § 271(b), at least by without authority actively inducing
12 others, including its tire manufacturing partners, to directly infringe one or more
13 claims of the '765 patent.

14 120. On information and belief, Hyosung actively induces infringement by
15 others by knowingly providing the Accused Product to imported into the United
16 States, offered for sale, sold, or used within the United States in the form of hybrid
17 tire cord itself or as hybrid tire cord integrated into a tire.

18 121. On information and belief, with knowledge of the patents-in-suit,
19 Hyosung has indirectly infringed and continues to indirectly infringe one or more
20 claims of the '765 patent, including but not limited to claim 1, pursuant to 35
21 U.S.C. § 271(c), at least by without authority, offering to sell or selling within the
22 United States or importing into the United States aramid filament yarn knowing
23 that it is especially made or especially adapted for use in infringing the '765 patent,
24 and not a staple of article or commodity of commerce suitable for substantial non-
25 infringing uses.

26 122. Hyosung's infringement has caused and is continuing to cause
27 damage and irreparable injury to Kolon. Kolon will continue to suffer damage and
28 irreparable injury unless and until that infringement is enjoined by this Court, as a

remedy at law alone would be inadequate.

123. Kolon is entitled to injunctive relief and damages in accordance with 35 U.S.C. §§ 271, 281, 283, and 284.

124. On information and belief, Hyosung has been willfully infringing the '765 patent, and thus Kolon is entitled to recover increased damages under 35 U.S.C. § 284. Defendants' willful infringement makes this case exceptional, and thus Kolon is entitled to recover attorneys' fees under 35 U.S.C. § 285.

PRAYER FOR RELIEF

WHEREFORE, Kolon respectfully requests judgment in its favor and against Hyosung as follows:

A. Adjudging that Hyosung has infringed the '663, '731, and '765 patents, in violation of 35 U.S.C. § 271;

B. Granting a permanent injunction enjoining Hyosung, its employees, agents, officers, directors, attorneys, representatives, successors, affiliates, subsidiaries and assigns, and all of those in active concert and participation with any of the foregoing persons or entities from infringing, directly or indirectly, the '663, '731, and '765 patents;

C. Ordering Hyosung to account and pay damages adequate to compensate Kolon for Hyosung's infringement, including pre-judgment and post-judgment interest and costs, pursuant to 35 U.S.C. § 284;

D. Ordering an accounting for any infringing sales not presented at trial and an award by the Court of additional damages for any such infringing sales;

E. Ordering that the damages award be increased up to three times the actual amount assessed, pursuant to 35 U.S.C. § 284;

F. An award of Kolon's costs and expenses as a prevailing party;

G. Declaring this case exceptional and awarding Kolon its reasonable attorneys' fees, pursuant to 35 U.S.C. § 285; and

H. Awarding such other and further relief as this Court deems just and

proper.

JURY DEMAND

Pursuant to Rule 38(b) of the Federal Rules of Civil Procedure, Kolon hereby demands trial by jury of all issues so triable.

DATED: February 28, 2024

Respectfully submitted,

LATHAM & WATKINS LLP

/s/ Joseph H. Lee

Joseph H. Lee (Bar No. 248046)
joseph.lee@lw.com
650 Town Center Drive, 20th Floor
Costa Mesa, California 92626
Telephone: (714) 540-1235
Facsimile: (714) 755-8290

Charles H. Sanders (*pro hac vice*
application to be filed)
charles.sanders@lw.com
John Hancock Tower, 27th Floor
200 Clarendon Street
Boston, Massachusetts 02116
Telephone: (617) 948-6000
Facsimile: (617) 948-6001

Douglas E. Lumish (Bar No. 183863)
doug.lumish@lw.com
140 Scott Drive
Menlo Park, California 94025
Telephone: (650) 328-4600
Facsimile: (650) 463.2600

*Attorneys for Plaintiff Kolon Industries,
Inc.*